LOUISIANA ECONOMIC DEVELOPMENT

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Military Economic Impact Analysis for the State of Louisiana

October 2021

LOUISIANA ECONOMIC DEVELOPMENT

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EXECUTIVE SUMMARY 3
ECONOMIC IMPACT ANALYSIS 6
STATE OF LOUISIANA 7
ACADIANA REGION 10
BAYOU REGION 12
CAPITAL REGION 14
CENTRAL REGION 16
NORTHEAST REGION 19
NORTHWEST REGION 21
SOUTHEAST REGION 24
SOUTHWEST REGION 27
MILITARY CONTRACT SPENDING 30
STATEWIDE MILITARY CONTRACT SPENDING 31
MILITARY CONTRACT SPENDING BY REGION 35
METHODOLOGY 43

Executive Summary

Business Development Advisors (BDA) is pleased to provide this report to Louisiana Economic Development (LED) to satisfy RS 29:65, which requires the Louisiana Military Advisory Council to complete a quadrennial statewide and regional military economic impact analysis. BDA prepared the previous military spending impact analysis in 2017. BDA once again worked closely with The Roosevelt Group, which provided critical liaison support during this effort.

The 2021 impact analysis considers fiscal year (FY) 2020 military spending in Louisiana across three categories: military facility and command activity, defense contracting, and military retiree spending. The Louisiana military facilities and activities studied include Barksdale Air Force Base, Fort Polk, Naval Air Station Joint Reserve Base (Belle Chasse), Marine Forces Reserve, US Coast Guard 8th District, Naval Information Warfare Center (NIWC) New Orleans, the 377th Theater Sustainment Command, and the Louisiana National Guard. The defense contracting analysis incorporates FY20 Department of Defense (DOD) and US Coast Guard (USCG) contract data for Louisiana. The annual gross pay associated with military retirees is also accounted for. Data for all categories was analyzed at the state level and among eight LED-defined regions.

The data confirm the significant impact from military-related spending in the Louisiana economy. The economic impact analysis shows that military-related spending in all three categories accounted for $9.6 billion in economic output in Louisiana in fiscal year 2020. Over 77,000 employees are associated with this output, which equates to approximately 4% of total state payroll employment.[1]

Table 1 demonstrates that military spending affects every region in Louisiana and is especially important in the Central and Northwest regions, home to Fort Polk and Barksdale Air Force Base respectively. Louisiana's military facilities and commands account for the majority of the total economic impact summarized in Table 1.

[1] A percentage level between 3-4% for any particular economic sector is general considered to be of significant impact.

Table 1. Economic Impact of Military Spending by Region and Statewide FY2020

Region	Output	Employment	State and Local Taxes	Percent of Regional GDP	Percent of Regional Payroll Employment
Acadiana	$293,295,000	2,235	$11,849,000	0.73%	0.97%
Bayou	$988,564,000	5,281	$27,949,000	3.54%	4.59%
Capital	$597,561,000	4,467	$22,014,000	0.64%	1.08%
Central	$1,896,834,000	19,447	$74,402,000	12.16%	17.03%
Northeast	$160,102,000	1,430	$7,029,000	1.10%	1.30%
Northwest	$1,631,794,000	16,434	$67,824,000	4.40%	6.65%
Southeast	$3,506,296,000	22,227	$115,291,000	2.24%	3.44%
Southwest	$568,264,000	5,667	$22,362,000	1.92%	3.97%
Statewide	$9,642,710,000	77,289	$348,720,000	2.40%	3.75%

Economic impact includes the direct, indirect and induced spending from military asset, contractor and retiree spending in Louisiana and by LED Region.

Department of Defense and USCG contract spending is also an important component of overall military spending. In FY20, contract spending with Louisiana recipients reached nearly $2.5 billion, a notable increase since the 2017 report. Ship building and other heavy and civil engineering construction are the leading sectors in which defense contracting work is performed in Louisiana. The map in Figure 1 displays total contract value per LED region.

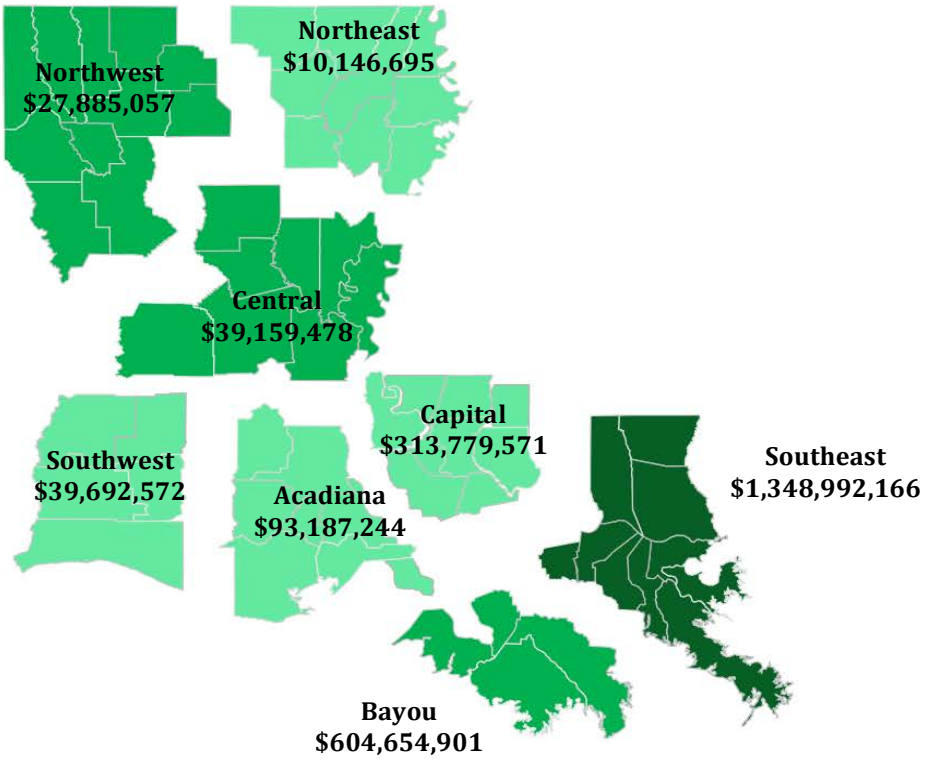


Figure 1. DOD and USCG Contract Spending with Louisiana recipients, FY20

In addition, Louisiana boasted over 26,500 retirees who received annual gross pay totaling $684 million in FY20. This income is contributed back to the state economy through the tax base, living expenses and personal spending. These figures may understate the impact of retirees living in nearby states who visit Louisiana for tourism, healthcare and recreational activities.

This report is divided into two main sections. First, the Economic Impact Analysis section calculates the economic impact of overall military spending and the three main components of that spending for the state and each of the eight LED regions. This section also provides an individual statewide economic impact summary for each of the military facilities and commands analyzed for this report. Second, the Military Contract Spending section describes summary statistics on DOD and USCG spending in the state of Louisiana and lists the top industries and defense contracting companies for the state and each of the eight LED regions. The report concludes with an overview of the methodology and data sources used to complete this analysis.

Economic Impact Analysis

State of Louisiana

Summary Impact of Military Spending in Louisiana

The 2021 impact analysis considers the economic impact of military spending in Louisiana across three categories: military facility and command activity, defense contracting, and military retiree spending.

Table 2. Economic Impact of Military Spending Statewide FY20

Output	Employment	State and Local Taxes	Percent of State GDP	Percent of State Payroll Employment
$9,642,710,000	77,289	$348,720,000	2.40%	3.75%

Economic impact includes the direct, indirect and induced spending from military asset, contractor and retiree spending.

1. Economic Impact of Military Assets

Louisiana is home to several military facilities and command activities.

- Barksdale Air Force Base (BAFB) directly contributes nearly 9,000 jobs and over $570 million in payroll to the economy. Estimated total spending at BAFB neared $719 million in FY20.
- Fort Polk directly contributes nearly 15,000 jobs and almost $770 million in payroll to the economy. Estimated total spending at Fort Polk was $1.36 billion in FY20.
- Naval Air Station Joint Reserve Base (NAS JRB) New Orleans (Belle Chasse) is located in Plaquemines Parish. NAS JRB directly contributes over 1,800 naval jobs and over $171 million in spending to the economy.
- US Coast Guard, 8th District, has multiple offices and operations in the region, including the 8th District headquarters in New Orleans, the Coast Guard Air Station New Orleans, and the New Orleans sector office. Coast Guard operations directly contribute an estimated 1,800 jobs and $192 million in spending to the state economy, most of which occurs in the Southeast region.
- Marine Forces Reserve (MARFORRES) headquarters is located in Federal City in the Algiers district of New Orleans. MARFORRES employs near 1,400 active and reserve military and civilian personnel, most of whom are in the Southeast region, with annual expenditures over $80 million.
- Naval Information Warfare Center (NIWC) New Orleans contributes nearly 600 jobs (including contractors) and $119 million in spending to the economy.
- The 377th Theater Sustainment Command in New Orleans has over 1,300 workers (including reservists) and contributes more than $37 million in annual spending.

- The Louisiana National Guard has facilities throughout the state and contributes over $536 million in annual spending to the economy.

Table 3 summarizes the total economic impact of employment and spending at these facilities, including direct, indirect and induced effects, on the state of Louisiana.

Table 3. Economic Impact of Military Asset Spending in Louisiana, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$5,255,291,000	56,250	$202,569,000	$3,230,856,000

Sources: IMPLAN, Business Development Advisors

2. Economic Impact of Military Contract Spending

In addition to spending at military installations, the Department of Defense (DoD) contracts directly with Louisiana companies for many types of goods and services. Louisiana businesses also perform work on contracts that may or may not be managed by Louisiana-based companies.

Total direct contract spending in the state by DoD and the US Coast Guard in FY20 was $2.5 billion. However, it is likely that some of this contract spending overlapped with expenditures at Barksdale, Fort Polk and Belle Chasse. Given the nature of the data sources, it is not possible to know the exact extent of this overlap. In order to avoid possibly overstating the impact of military spending in the state, contracts performed in installation zip codes were subtracted from the total in order to make the economic impact calculations for the state.

Table 4 summarizes the total economic impact, including direct, indirect and induced effects, of the remaining military contracts for which the place of performance was Louisiana.

Table 4: Economic Impact of DOD/USCG Contract Spending in Louisiana, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$3,603,161,000	15,728	$95,526,000	$964,042,000

Figures do not include the Army Corps of Engineers. Sources: USAspending.gov, IMPLAN, Business Development Advisors

Military contract funds flow through many parts of the regional economy and are not limited to "defense companies." The top 10 sectors for contract recipients in Louisiana are:

- Ship building and repairing
- Other heavy and civil engineering construction
- Engineering services
- Deep sea freight transportation
- Coastal and Great Lakes freight transportation
- Petroleum refineries
- Commercial and institutional building construction
- Facilities support services

- Highway, street, and bridge construction
- Remediation services

These sectors accounted for over 85% of the obligated contract dollars in FY20.

3. Economic Impact of Retiree Spending

Louisiana attracts a sizeable number of military retirees who receive direct payments from the Department of Defense. Over 26,500 retirees who report their mailing address in a parish in Louisiana received annual gross pay totaling over $684 million in FY20. This income spent in the state supports a variety of household, personal services, leisure, and hospitality activities and contributes to the tax base.

Table 5 summarizes the total economic impact, including direct, indirect and induced effects, of pay for military retirees living in Louisiana.

Table 5. Economic Impact of Military Retiree Spending, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$784,258,000	5,311	$50,625,000	$234,713,000

Source: Military Retired Pay File, Sept. 2019; IMPLAN, Business Development Advisors

This figure may understate the impact of retiree spending since retirees who live in nearby communities in surrounding states also visit Louisiana to take advantage of shopping, recreational, tourism and healthcare resources.

Veterans

Veteran spending is not considered military spending and is therefore not included in the economic impact. However, it is worth noting that veteran expenditures were approximately $3 billion in 2019 for almost 277,000 veterans living in Louisiana parishes.

Acadiana Region

The Acadiana Region is one of eight Louisiana Economic Development (LED) regions. It includes Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, and Vermilion parishes.

Summary Impact of Military Spending in the Acadiana Region

The 2021 impact analysis considers the economic impact of military spending in the Acadiana Region across three categories: military facility and command activity, defense contracting, and military retiree spending.

Table 6. Economic Impact of Military Spending in the Acadiana Region, FY20

Output	Employment	State and Local Taxes	Percent of Regional GDP	Percent of Regional Employment
$293,295,000	2,336	$11,849,000	0.73%	0.97%

Economic impact includes the direct, indirect and induced spending from military asset, contractor and retiree spending.

1. Economic Impact of Military Assets

The Acadiana region does not contain any of Louisiana's major military facilities, but it does have a Louisiana National Guard presence. The region also benefits indirectly from spending at other military facilities and activities around the state.

Table 7 summarizes the total economic impact of employment and spending at these facilities, including direct, indirect and induced effects, on the Acadiana region of Louisiana.

Table 7. Economic Impact of Military Asset Spending in the Acadiana Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$158,305,000	1,603	$6,098,000	$97,414,000

Sources: IMPLAN, Business Development Advisors

2. Economic Impact of Military Contract Spending

Table 8 summarizes the total economic impact, including direct, indirect and induced effects, of military and USCG contracts for which the place of performance was the Acadiana region of Louisiana.

Table 8: Economic Impact of DOD/USCG Contract Spending in the Acadiana Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$77,739,000	345	$2,055,000	$21,067,000

Figures do not include the Army Corps of Engineers. Sources: USAspending.gov, IMPLAN, Business Development Advisors

Military contract funds flow through many parts of the regional economy and are not limited to "defense companies." The top 5 sectors for contract recipients in the Acadiana region are:

- Boat building
- Other heavy and civil engineering construction
- Highway, street, and bridge construction
- Engineering services
- Commercial and institutional building construction

These sectors accounted for over 78% of the obligated contract dollars in FY20.

3. Economic Impact of Retiree Spending

Louisiana attracts a sizeable number of military retirees who receive direct payments from the Department of Defense. Over 2,100 retirees who report their mailing address in a parish in the Acadiana region of Louisiana received annual gross pay totaling over $49.6 million. This income spent in the region supports a variety of household, personal services, leisure, and hospitality activities and contributes to the tax base.

Table 9 summarizes the total economic impact, including direct, indirect and induced effects, of pay for military retirees living in the Acadiana region.

Table 9. Economic Impact of Military Retiree Spending in the Acadiana Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$57,251,000	388	$3,696,000	$17,134,000

Source: Military Retired Pay File, Sept. 2019; IMPLAN, Business Development Advisors

Veterans

Veteran spending is not considered military spending and is therefore not included in the economic impact. However, it is worth noting that veteran expenditures were approximately $292 million in FY19 for an estimated 31,000 veterans living in the parishes comprising the Acadiana region.

Bayou Region

The Bayou Region is one of eight Louisiana Economic Development (LED) regions. It includes Assumption, Lafourche, St. Mary and Terrebonne parishes.

Summary Impact of Military Spending in the Bayou Region

The 2021 impact analysis considers the economic impact of military spending in the Bayou Region across three categories: military facility and command activity, defense contracting, and military retiree spending.

Table 10. Economic Impact of Military Spending in the Bayou Region, FY20

Output	Employment	State and Local Taxes	Percent of Regional GDP	Percent of Regional Employment
$988,564,000	5,281	$27,949,000	3.54%	4.59%

Economic impact includes the direct, indirect and induced spending from military asset, contractor and retiree spending.

1. Economic Impact of Military Assets

The Bayou region does not contain any of Louisiana's major military facilities, but it does have a Louisiana National Guard and US Coast Guard (USCG) presence. The region also benefits indirectly from spending at other military facilities and activities around the state.

Table 11 summarizes the total economic impact of employment and spending at these facilities, including direct, indirect and induced effects, on the Bayou region of Louisiana.

Table 11. Economic Impact of Military Asset Spending in the Bayou Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$115,775,000	1,258	$4,478,000	$71,934,000

Sources: IMPLAN, Business Development Advisors

2. Economic Impact of Military Contract Spending

In addition to spending at military installations, the Department of Defense (DoD) contracts directly with Louisiana companies for many types of goods and services. Louisiana businesses also perform work on contracts that may or may not be managed by Louisiana-based companies.

Table 12 summarizes the total economic impact, including direct, indirect and induced effects, of military contracts for which the place of performance was the Bayou region of Louisiana.

Table 12: Economic Impact of DOD/USCG Contract Spending in the Bayou Region, FY20.

Output	Employment	State and Local Tax Impact	Total Labor Income
$858,672,000	3,927	$22,560,000	$238,989,000

Figures do not include the Army Corps of Engineers. Sources: USAspending.gov, IMPLAN, Business Development Advisors

Military contract funds flow through many parts of the regional economy and are not limited to "defense companies." The top 5 sectors for contract recipients in the Bayou region are:

- Ship building and repairing
- Deep sea freight transportation
- Other heavy and civil engineering construction
- Navigational services to shipping
- Remediation services

These sectors accounted for over 94% of the obligated contract dollars in FY20.

3. Economic Impact of Retiree Spending

Louisiana attracts a sizeable number of military retirees who receive direct payments from the Department of Defense. Over 600 retirees who report their mailing address in a parish in the Bayou region of Louisiana received annual gross pay totaling over $12 million in FY19. This income spent in the region supports a variety of household, personal services, leisure, and hospitality activities and contributes to the tax base.

Table 13 summarizes the total economic impact, including direct, indirect and induced effects, of pay for military retirees living in the Bayou region.

Table 13. Economic Impact of Military Retiree Spending in the Bayou Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$14,117,000	<100	$911,000	$4,225,000

Source: Military Retired Pay File, Sept. 2019; IMPLAN, Business Development Advisors

Veterans

Veteran spending is not considered military spending and is therefore not included in the economic impact. However, it is worth noting that veteran expenditures were approximately $107 million in FY19 for an estimated 13,000 veterans living in the parishes comprising the Bayou region.

Capital Region

The Capital Region is one of eight Louisiana Economic Development (LED) regions. It includes Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, West Baton Rouge and West Feliciana parishes.

Summary Impact of Military Spending in the Capital Region

The 2021 impact analysis considers the economic impact of military spending in the Capital Region across three categories: military facility and command activity, defense contracting, and military retiree spending.

Table 14. Economic Impact of Military Spending in the Capital Region, FY20

Output	Employment	State and Local Taxes	Percent of Regional GDP	Percent of Regional Employment
$597,561,000	4,467	$22,014,000	0.64%	1.08%

Economic impact includes the direct, indirect and induced spending from military asset, contractor and retiree spending.

1. Economic Impact of Military Assets

The Capital region does not contain any of Louisiana's major military facilities, but it does have a substantial Louisiana National Guard presence and a US Coast Guard unit. The Louisiana National Guard (LANG) activities encompass the State Military Department, which "provides emergency response, support and at-risk education," and the Gillis W. Long Center, which "provides operational and training support and is home to several LANG units and elements of the Joint Staff."

The region also benefits indirectly from spending at other military facilities and activities around the state.

Table 15 summarizes the total economic impact of employment and spending at these facilities, including direct, indirect and induced effects, on the Capital region of Louisiana.

Table 15. Economic Impact of Military Asset Spending in the Capital Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$279,348,000	2,926	$10,776,000	$175,943,000

Sources: IMPLAN, Business Development Advisors

2. Economic Impact of Military Contract Spending

In addition to spending at military installations, the Department of Defense (DoD) contracts directly with Louisiana companies for many types of goods and services. Louisiana businesses

also perform work on contracts that may or may not be managed by Louisiana-based companies.

Table 16 summarizes the total economic impact, including direct, indirect and induced effects, of military contracts for which the place of performance was the Capital region of Louisiana.

Table 16: Economic Impact of DOD/USCG Contract Spending in the Capital Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$245,277,000	1,047	$6,530,000	$64,410,000

Figures do not include the Army Corps of Engineers. Sources: USAspending.gov, IMPLAN, Business Development Advisors

Military contract funds flow through many parts of the regional economy and are not limited to "defense companies." The top 5 sectors for contract recipients in the Capital region are:

- Other heavy and civil engineering construction
- Petroleum refineries
- Facilities support services
- Remediation services
- Deep sea freight transportation

These sectors accounted for 76% of the obligated contract dollars in FY20.

3. Economic Impact of Retiree Spending

Louisiana attracts a sizeable number of military retirees who receive direct payments from the Department of Defense. The 2,600 retirees who report their mailing address in a parish in the Capital region of Louisiana received annual gross pay totaling over $63.5 million in FY19. This income spent in the region supports a variety of household, personal services, leisure, and hospitality activities and contributes to the tax base.

Table 17 summarizes the total economic impact, including direct, indirect and induced effects, of pay for military retirees living in the Capital region.

Table 17: Economic Impact of Military Retiree Spending in the Capital Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$72,936,000	494	$4,708,000	$21,828,000

Source: Military Retired Pay File, September 2019; IMPLAN, Business Development Advisors

Veterans

Veteran spending is not considered military spending and is therefore not included in the economic impact. However, it is worth noting that veteran expenditures were approximately $373 million in FY19 for an estimated 43,000 veterans living in the parishes comprising the Capital region.

Central Region

The Central Region is one of eight Louisiana Economic Development (LED) regions. It includes Avoyelles, Catahoula, Concordia, Grant, LaSalle, Rapides, Vernon and Winn parishes.

Summary Impact of Military Spending in the Central Region

The 2021 impact analysis considers the economic impact of military spending in the Central Region across three categories: military facility and command activity, defense contracting, and military retiree spending.

Table 18. Economic Impact of Military Spending in the Central Region, FY20

Output	Employment	State and Local Taxes	Percent of Regional GDP	Percent of Regional Employment
$1,896,834,000	19,447	$74,402,000	12.16%	17.03%

Economic impact includes the direct, indirect and induced spending from military asset, contractor and retiree spending.

1. Economic Impact of Military Assets

The Central region is home to Fort Polk, which directly contributes nearly 15,000 jobs and $770 million in payroll to the economy. Estimated total spending at Fort Polk was $1.36 billion in FY20.

In addition to the military missions and tenants at Fort Polk, the Central region hosts the Louisiana National Guard at Camp Beauregard in Pineville. The region also benefits indirectly from spending at other military facilities and activities around the state.

Table 19 summarizes the total economic impact of employment and spending at these facilities, including direct, indirect and induced effects, in the Central region of Louisiana.

Table 19. Economic Impact of Military Asset Spending in the Central Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$1,633,688,000	18,004	$62,804,000	$967,719,000

Sources: Fort Polk, Louisiana National Guard, IMPLAN, Business Development Advisors

2. Economic Impact of Military Contract Spending

In addition to spending at military installations, the Department of Defense (DoD) contracts directly with Louisiana companies for many types of goods and services. Louisiana businesses also perform work on contracts that may or may not be managed by Louisiana-based companies. However, it is likely that some of this contract spending overlapped with expenditures at Fort Polk. Given the nature of the data sources, it is not possible to know the exact extent of this overlap. In order to avoid possibly overstating the impact of military spending

in the region, contracts performed in Fort Polk zip codes were subtracted from the total in order to make the economic impact calculations for the region.

Table 20 summarizes the total economic impact, including direct, indirect and induced effects, of military contracts for which the place of performance was Central Louisiana.

Table 20: Economic Impact of DOD/USCG Contract Spending in the Central Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$141,586,000	620	$3,751,000	$38,015,000

Figures do not include the Army Corps of Engineers. Sources: USAspending.gov, IMPLAN, Business Development Advisors

Military contract funds flow through many parts of the regional economy and are not limited to "defense companies." The top 5 sectors for contract recipients in the Central region are:

- Hotels and motels
- Highway, street, and bridge construction
- Other foundation, structure, and building exterior contractors
- Electrical contractors and other wiring installation contractors
- Petroleum refineries

These sectors accounted for 57% of the obligated contract dollars in FY20.

3. Economic Impact of Retiree Spending

Louisiana attracts a sizeable number of military retirees who receive direct payments from the Department of Defense. Approximately 4,350 retirees who report their mailing address in a parish in Central Louisiana received annual gross pay totaling nearly $106 million in FY19. This income supports a variety of household, personal services, leisure, and hospitality activities and contributes to the tax base in the region.

Table 21 summarizes the total economic impact, including direct, indirect and induced effects, of pay for military retirees living in Central Louisiana.

Table 21. Economic Impact of Military Retiree Spending in the Central Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$121,560,000	823	$7,847,000	$36,381,000

Source: Military Retired Pay File, Sept. 2019; IMPLAN, Business Development Advisors

This figure may understate the impact of retiree spending since retirees who live in nearby communities in Texas and other regions of Louisiana visit Central Louisiana to take advantage of shopping, recreational, tourism and healthcare resources. Fort Polk estimates over 17,000 military retirees and their family members live within 40 miles of the base.

Veterans

Veteran spending is not considered military spending and is therefore not included in the economic impact. However, it is worth noting that veteran expenditures were approximately $368 million in FY19 for an estimated 27,000 veterans living in the parishes comprising the Central region.

Northeast Region

The Northeast Region is one of eight Louisiana Economic Development (LED) regions. It includes Caldwell, East Carroll, Franklin, Madison, Morehouse, Ouachita, Richland, Tensas, Union and West Carroll parishes.

Summary Impact of Military Spending in the Northeast Region

The 2021 impact analysis considers the economic impact of military spending in the Northeast Region across three categories: military facility and command activity, defense contracting, and military retiree spending.

Table 22. Economic Impact of Military Spending in the Northeast Region, FY20

Output	Employment	State and Local Taxes	Percent of Regional GDP	Percent of Regional Employment
$160,102,000	1,430	$7,029,000	1.10%	1.30%

Economic impact includes the direct, indirect and induced spending from military asset, contractor and retiree spending.

1. Economic Impact of Military Assets

The Northeast region does not contain any of Louisiana's major military facilities, but it does have a Louisiana National Guard presence. The region also benefits indirectly from spending at other military facilities and activities around the state.

Table 23 summarizes the total economic impact of employment and spending at these facilities, including direct, indirect and induced effects, on the Northeast Region of Louisiana.

Table 23. Economic Impact of Military Asset Spending in Northeast Louisiana, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$110,164,000	1,120	$4,242,000	$68,065,000

Sources: IMPLAN, Business Development Advisors

2. Economic Impact of Military Contract Spending

In addition to spending at military installations, the Department of Defense (DoD) contracts directly with Louisiana companies for many types of goods and services. Louisiana businesses also perform work on contracts that may or may not be managed by Louisiana-based companies.

Table 24 summarizes the total economic impact, including direct, indirect and induced effects, of military contracts for which the place of performance was Northeast Louisiana.

Table 24: Economic Impact of DOD/USCG Contract Spending in Northeast Louisiana, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$11,509,000	<100	$306,000	$3,016,000

Figures do not include the Army Corps of Engineers. Sources: USAspending.gov, IMPLAN, Business Development Advisors

Military contract funds flow through many parts of the regional economy and are not limited to "defense companies." The top 5 sectors for contract recipients in the Northeast region are:

- Perishable prepared food manufacturing
- Wired telecommunications carriers
- Highway, street, and bridge construction
- Construction, mining, and forestry machinery and equipment rental and leasing
- R&D in the physical, engineering and life sciences

These sectors accounted for over 97% of the obligated contract dollars in FY20.

3. Economic Impact of Retiree Spending

Louisiana attracts a sizeable number of military retirees who receive direct payments from the Department of Defense. Over 1,400 retirees who report their mailing address in a parish in Northeast Louisiana received annual gross pay totaling over $33 million in FY19. This income spent in the region supports a variety of household, personal services, leisure, and hospitality activities and contributes to the tax base.

Table 25 summarizes the total economic impact, including direct, indirect and induced effects, of pay for military retirees living in Northeast Louisiana.

Table 25. Economic Impact of Military Retiree Spending in the Northeast Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$38,429,000	260	$2,481,000	$11,501,000

Source: Military Retired Pay File, Sept. 2019; IMPLAN, Business Development Advisors, Center for Regional Economic Competitiveness

Veterans

Veteran spending is not considered military spending and is therefore not included in the economic impact. However, it is worth noting that veteran expenditures were approximately $169 million in FY19 for an estimated 17,000 veterans living in the parishes comprising the Northeast region.

Northwest Region

The Northwest Region is one of eight Louisiana Economic Development (LED) regions. It includes Bienville, Bossier, Caddo, Claiborne, De Soto, Jackson, Lincoln, Natchitoches, Red River, Sabine and Webster parishes.

Summary Impact of Military Spending in the Northwest Region

The 2021 impact analysis considers the economic impact of military spending in the Northwest Region across three categories: military facility and command activity, defense contracting, and military retiree spending.

Table 26. Economic Impact of Military Spending in the Northeast Region, FY20

Output	Employment	State and Local Taxes	Percent of Regional GDP	Percent of Regional Employment
$1,631,794,000	16,434	$67,824,000	4.40%	6.65%

Economic impact includes the direct, indirect and induced spending from military asset, contractor and retiree spending.

1. Economic Impact of Military Assets

The Northwest region is home to Barksdale Air Force Base, (BAFB), which directly contributes nearly 9,000 jobs and over $570 million in payroll to the economy. Estimated total spending at BAFB exceeded $719 million in FY20.

In addition to the military missions and tenants at Barksdale, the Northwest region hosts Camp Minden, home to Louisiana National Guard units, as well as additional Guard units throughout the region. The region also benefits indirectly from spending at other military facilities and activities around the state.

Table 27 summarizes the total economic impact of employment and spending at these facilities, including direct, indirect and induced effects, on the Northwest Region of Louisiana.

Table 27. Economic Impact of Military Asset Spending in Northwest Louisiana, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$1,363,180,000	14,748	$52,492,000	$862,762,000

Sources: Barksdale AFB, IMPLAN, Business Development Advisors

2. Economic Impact of Military Contract Spending

In addition to spending at military installations, the Department of Defense (DoD) contracts directly with Louisiana companies for many types of goods and services. Louisiana businesses also perform work on contracts that may or may not be managed by Louisiana-based companies. However, it is likely that some of this contract spending overlaps with expenditures

at Barksdale. Given the nature of the data sources, it is not possible to know the exact extent of this overlap. In order to avoid possibly overstating the impact of military spending in the region, contracts performed in Barksdale zip codes were subtracted from the total in order to make the economic impact calculations for the region.

Table 28 summarizes the total economic impact, including direct, indirect and induced effects, of military contracts for which the place of performance was Northwest Louisiana.

Table 28: Economic Impact of DOD/USCG Contract Spending in Northwest Louisiana, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$52,943,000	226	$1,410,000	$13,893,000

Figures do not include the Army Corps of Engineers. Sources: USAspending.gov, IMPLAN, Business Development Advisors

Military contract funds flow through many parts of the regional economy and are not limited to "defense companies." The top 5 sectors for contract recipients in the Northwest region are:

- Highway, street and bridge construction
- R&D in the physical, engineering and life sciences
- Caterers
- Janitorial services
- Ammunition (except small arms) manufacturing

These sectors accounted for approximately 70% of the obligated contract dollars in FY20.

3. Economic Impact of Retiree Spending

Louisiana attracts a sizeable number of military retirees who receive direct payments from the Department of Defense. Nearly 6,600 retirees who report their mailing address in a parish in Northwest Louisiana received annual gross pay totaling over $188 million in FY19. This income spent in the region supports a variety of household, personal services, leisure, and hospitality activities and contributes to the tax base.

Table 29 summarizes the total economic impact, including direct, indirect and induced effects, of pay for military retirees living in Northwest Louisiana.

Table 29. Economic Impact of Military Retiree Spending in the Northwest Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$215,671,000	1,460	$13,922,000	$64,546,000

Source: Military Retired Pay File, Sept. 2019; IMPLAN, Business Development Advisors

This figure may understate the impact of retiree spending since retirees who live in nearby communities in Arkansas, Texas and other regions of Louisiana also visit Barksdale and Northwest Louisiana for shopping, recreational, tourism and healthcare resources.

Veterans

Veteran spending is not considered military spending and is therefore not included in the economic impact. However, it is worth noting that veteran expenditures were approximately $506 million in FY19 for an estimated 47,500 veterans living in the parishes comprising the Northwest region.

Southeast Region

The Southeast Region is one of eight Louisiana Economic Development (LED) regions. It includes Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Tammany, Tangipahoa, and Washington parishes.

Summary Impact of Military Spending in the Southeast Region

The 2021 impact analysis considers the economic impact of military spending in the Southeast Region across three categories: military facility and command activity, defense contracting, and military retiree spending.

Table 30. Economic Impact of Military Spending in the Northeast Region, FY20

Output	Employment	State and Local Taxes	Percent of Regional GDP	Percent of Regional Employment
$3,506,296,000	22,227	$115,291,000	2.24%	3.44%

Economic impact includes the direct, indirect and induced spending from military asset, contractor and retiree spending.

1. Economic Impact of Military Assets

The Southeast region is home to several military facilities and activities.

- Naval Air Station Joint Reserve Base (NAS JRB) New Orleans (Belle Chasse) is located in Plaquemines Parish. NAS JRB directly contributes over 1,800 naval jobs and over $171 million in spending to the economy.
- US Coast Guard, 8th District, has multiple offices and operations in the region, including the 8th District headquarters in New Orleans, the Coast Guard Air Station New Orleans, and the New Orleans sector office. Coast Guard operations directly contribute an estimated 1,800 jobs and $192 million in spending to the state economy, most of which occurs in the Southeast region.
- Marine Forces Reserve (MARFORRES) headquarters is located in Federal City in the Algiers district of New Orleans. MARFORRES employs nearly 1,400 active and reserve military and civilian personnel, most of whom are in the Southeast region, with annual expenditures over $80 million.
- Naval Information Warfare Center (NIWC) New Orleans contributes nearly 600 jobs (including contractors) and $119 million in spending to the economy.
- The 377th Theatre Sustainment Command in New Orleans includes over 1,300 jobs (including reservists) and contributes over $37 million in spending.
- The Southeast region also has a significant Louisiana National Guard presence.

Table 31 summarizes the total economic impact of employment and spending at these facilities, including direct, indirect and induced effects, on the Southeast Region of Louisiana.

Table 31. Economic Impact of Military Asset Spending in the Southeast Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$1,149,826,000	11,582	$44,558,000	$721,382,000

Sources: NAS JRB, USCG, SPAWAR, Marine Forces Reserve, 377th TSC, Louisiana National Guard. IMPLAN, Business Development Advisors

2. Economic Impact of Military Contract Spending

In addition to spending at military installations, the Department of Defense (DoD) contracts directly with Louisiana companies for many types of goods and services. Louisiana businesses also perform work on contracts that may or may not be managed by Louisiana-based companies. However, it is likely that some of this contract spending overlapped with expenditures at the facilities in New Orleans. In order to avoid possibly overstating the impact of military spending in the region, contracts performed in the relevant zip codes were subtracted from the total in order to make the economic impact calculations for the region.

Table 32 summarizes the total economic impact, including direct, indirect and induced effects, of military contracts for which the place of performance was Southeast Louisiana.

Table 32: Economic Impact of DOD/USCG Contract Spending in the Southeast Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$2,143,936,000	9,206	$57,014,000	$565,778,000

Figures do not include the Army Corps of Engineers. Sources: USAspending.gov, IMPLAN, Business Development Advisors

Military contract funds flow through many parts of the regional economy and are not limited to "defense companies." The top 5 sectors for contract recipients in the Southeast region are:

- Ship building and repairing
- Other heavy and civil engineering construction
- Engineering services
- Coastal and Great Lakes freight transportation
- Commercial and institutional building construction

These sectors accounted for over 84% of the obligated contract dollars in FY20.

3. Economic Impact of Retiree Spending

Louisiana attracts a sizeable number of military retirees who receive direct payments from the Department of Defense. Approximately 7,000 retirees who report their mailing address in a

parish in Southeast Louisiana received annual gross pay totaling nearly $186 million. This income spent in the region supports a variety of household, personal services, leisure, and hospitality activities and contributes to the tax base.

Table 33 summarizes the total economic impact, including direct, indirect and induced effects, of pay for military retirees living in Southeast Louisiana.

Table 33. Economic Impact of Military Retiree Spending in the Southeast Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$212,534,000	1,439	$13,719,000	$63,607,000

Source: Military Retired Pay File, Sept. 2019; IMPLAN, Business Development Advisors

This figure may understate the impact of retiree spending since retirees who live in nearby communities in Mississippi, Alabama and other regions of Louisiana but visit Southeast Louisiana to take advantage of shopping, recreational, tourism and healthcare resources.

Veterans

Veteran spending is not considered military spending and is therefore not included in the economic impact. However, it is worth noting that veteran expenditures were approximately $978 million in FY19 for an estimated 77,000 veterans living in the parishes comprising the Southeast region.

Southwest Region

The Southwest Region is one of eight Louisiana Economic Development (LED) regions. It includes Allen, Beauregard, Calcasieu, Cameron and Jefferson Davis parishes.

Summary Impact of Military Spending in the Southwest Region

The 2021 impact analysis considers the economic impact of military spending in the Southwest Region across three categories: military facility and command activity, defense contracting, and military retiree spending.

Table 34. Economic Impact of Military Spending in the Southwest Region, FY20

Output	Employment	State and Local Taxes	Percent of Regional GDP	Percent of Regional Employment
$568,264,000	5,667	$22,362,000	1.92%	3.97%

Economic impact includes the direct, indirect and induced spending from military asset, contractor and retiree spending.

1. Economic Impact of Military Assets

The Southwest region does not contain any of Louisiana's major military facilities, but it is connected economically to Fort Polk in the Central Region primarily via the town of DeRidder and Beauregard Parish, which border Vernon Parish, the home of Fort Polk. The Southwest region also has a Louisiana National Guard and US Coast Guard presence. The region also benefits indirectly from spending at other military facilities and activities around the state.

Table 35 summarizes the total economic impact of employment and spending at these facilities, including direct, indirect and induced effects, on the Southwest region of Louisiana.

Table 35. Economic Impact of Military Asset Spending in the Southwest Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$445,006,000	5,009	$17,120,000	$265,638,000

Sources: IMPLAN, Business Development Advisors

2. Economic Impact of Military Contract Spending

In addition to spending at military installations, the Department of Defense (DoD) contracts directly with Louisiana companies for many types of goods and services. Louisiana businesses also perform work on contracts that may or may not be managed by Louisiana-based companies.

Table 36 summarizes the total economic impact, including direct, indirect and induced effects, of military contracts for which the place of performance was Southwest Louisiana.

Table 36: Economic Impact of DOD/USCG Contract Spending in the Southwest Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$71,497,000	307	$1,901,000	$18,874,000

Figures do not include the Army Corps of Engineers. Sources: USAspending.gov, IMPLAN, Business Development Advisors

Military contract funds flow through many parts of the regional economy and are not limited to "defense companies." The top 5 sectors for contract recipients in the Southwest region are:

- Other heavy and civil engineering construction
- Commercial and institutional building construction
- Petroleum refineries
- Asphalt paving mixture and block manufacturing
- Plumbing, heating and air conditioning contractors

These sectors accounted for over 99% of the obligated contract dollars in FY20.

3. Economic Impact of Retiree Spending

Louisiana attracts a sizeable number of military retirees who receive direct payments from the Department of Defense. Over 1,900 retirees who report their mailing address in a parish in Southwest Louisiana received annual gross pay totaling over $45 million. This income spent in the region supports a variety of household, personal services, leisure, and hospitality activities and contributes to the tax base.

Table 37 summarizes the total economic impact, including direct, indirect and induced effects, of pay for military retirees living in Southwest Louisiana.

Table 37. Economic Impact of Military Retiree Spending in the Southwest Region, FY20

Output	Employment	State and Local Tax Impact	Total Labor Income
$51,761,000	351	$3,341,000	$15,491,000

Source: Military Retired Pay File, Sept. 2019; IMPLAN, Business Development Advisors

This figure may understate the impact of retiree spending since retirees who live in nearby communities in Texas and other regions of Louisiana also visit Southwest Louisiana to take advantage of shopping, recreational, tourism and healthcare resources. At the same time, retirees in the Southwest region also appear to spend portions of their income in other regions.

Veterans

Veteran spending is not considered military spending and is therefore not included in the economic impact. However, it is worth noting that veteran expenditures were approximately

$193 million in FY19 for an estimated 20,500 veterans living in the parishes comprising the Southwest region.

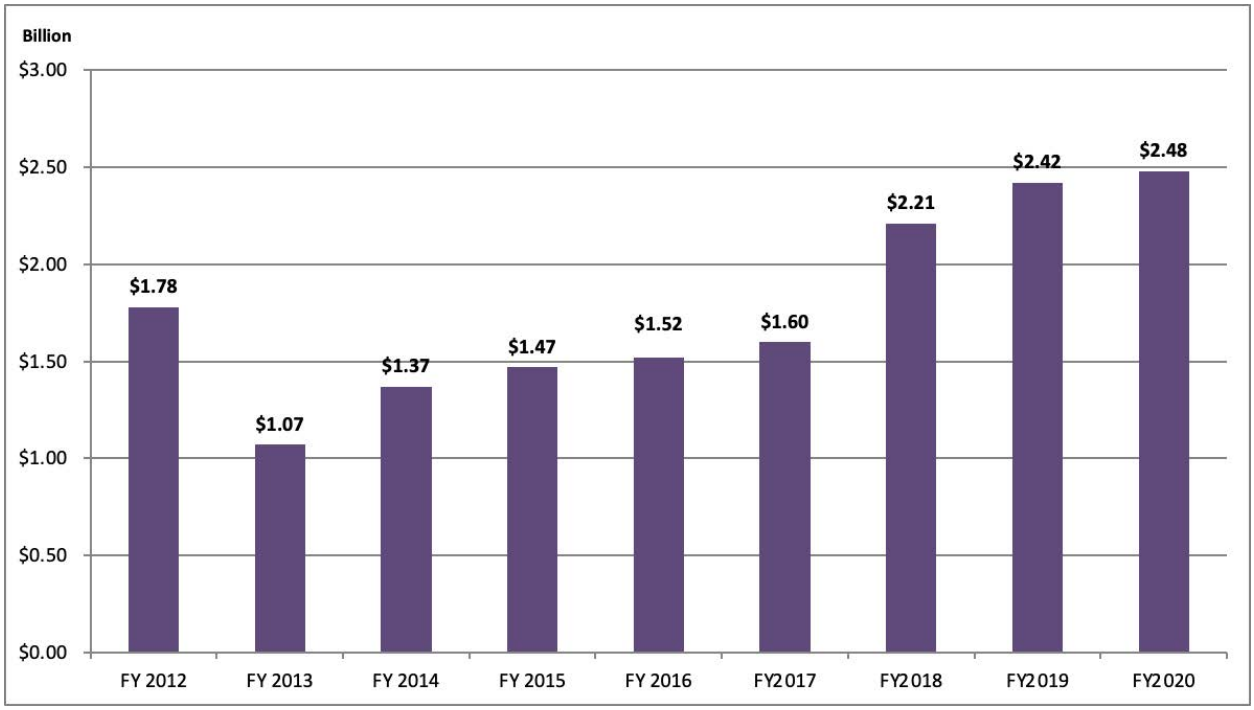
Military Contract Spending

Statewide Military Contract Spending

This section profiles Louisiana defense and USCG contracts awarded to recipients in Louisiana for FY20.

Department of Defense (DOD) and US Coast Guard (USCG) contract spending in Louisiana reached nearly $2.5 billion in FY20, continuing a recent growth trend (Figure 2).

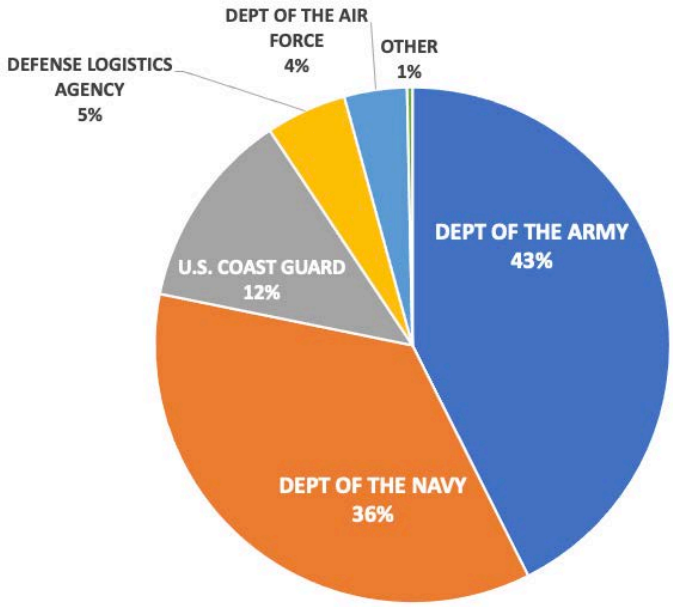
Figure 2. Total Value of DOD & USCG Contracts, Louisiana, FY 2012 - FY 2020



Source: USASpending.gov, Data extracts as of October 23, 2017 and June 7, 2021

Of the FY20 contracts, approximately 43% were awarded by the Department of the Army, 36% by the Department of the Navy, and 12% by the US Coast Guard (Figure 3).

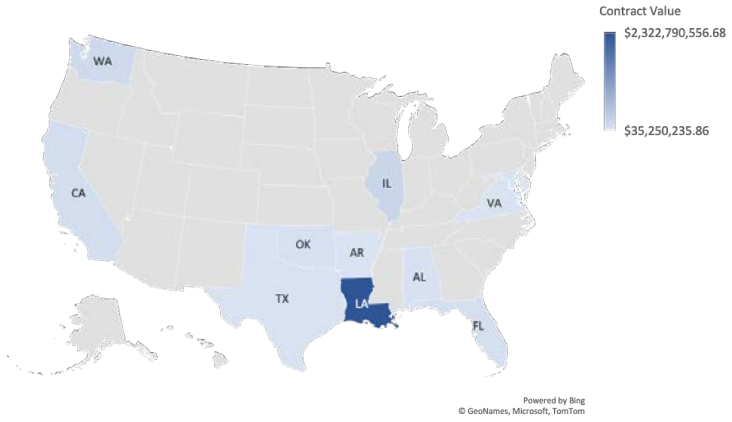
Figure 3. Military Contracts Performed in Louisiana by Awarding Agency



Source: USASpending.gov, Data extracts as of June 2021.

Louisiana is also a significant "place of performance" for defense work initially awarded in other states (Figure 4). Washington, California and Florida are the leading out-of-state sources for military contracts performed in Louisiana.

Figure 4. Military Contracts Performed in Louisiana by Contract Recipient State FY20



LA	$ 1,796,644,991.26	65.3%
WA	$ 180,012,835.57	6.5%
CA	$ 121,405,029.17	4.4%
FL	$ 90,919,382.52	3.3%
OK	$ 70,002,690.88	2.5%
IL	$ 66,295,342.88	2.4%
AL	$ 53,709,366.06	2.0%
VA	$ 50,829,142.06	1.8%
TX	$ 45,499,964.84	1.7%
MD	$ 44,226,480.82	1.6%
Other	*$ 230,619,697.39*	*8.4%*

Source: USASpending.gov, Data extracts as of June 2021

Contracts awarded to Louisiana recipients are concentrated among a handful of industries, products, and contractors. Table 38 indicates that ten industries account for nearly 85% of Louisiana's contract dollars, led by the Ship Building and Repairing industry.

Table 38. Top Ten Defense Industry Categories in Louisiana (by $ amount), FY2020

Rank	Industry	Obligated Dollar Amount	% of Total Value
1	Ship Building and Repairing	$971,381,233	39.2%
2	Other Heavy and Civil Engineering Construction	$576,900,812	23.3%
3	Engineering Services	$96,514,596	3.9%
4	Deep Sea Freight Transportation	$87,849,723	3.5%
5	Coastal and Great Lakes Freight Transportation	$86,743,343	3.5%
6	Petroleum Refineries	$74,207,143	3.0%
7	Commercial and Institutional Building Construction	$66,976,963	2.7%
8	Facilities Support Services	$63,622,796	2.6%
9	Highway, Street, and Bridge Construction	$41,202,703	1.7%
10	Remediation Services	$36,835,025	1.5%
	Top Ten Industries Total	*$2,102,234,336*	*84.9%*
	All Other	*$375,263,348*	*15.1%*
	Total	***$2,477,497,684***	***100.0%***

Source: USASpending.gov, Data extracts as of June 2021. Note: The data above do not include U.S. Army Corps of Engineers contracts.

Table 39 provides more insight into the types of products purchased. Combat ships and landing vessels dominate the list, but housekeeping services, other ship and marine-related activities, environmental services, construction and fuels are also important product categories.

Table 39. Top Ten Defense Products or Services Provided by Louisiana Companies, FY2020

Rank	Industry	Obligated Dollar Amount	% of Total Value
1	Combat Ships and Landing Vessels	$804,065,122	29.2%
2	Construction of Dredging Facilities	$315,914,899	11.5%
3	Transportation/Travel/Relocation -Transportation: Marine Charter	$179,133,051	6.5%
4	Construction of Other Non-Building Facilities	$155,403,152	5.7%
5	Special Service Vessels	$133,138,761	4.8%
6	Liquid Propellants and Fuels, Petroleum Base	$68,025,400	2.5%
7	Housekeeping – Facilities Operations Support	$59,641,109	2.2%
8	Environmental Systems Protection-Oil Spill Response	$35,282,913	1.3%
9	Small Craft	$30,658,417	1.1%
10	Other Environmental Services	$29,464,089	1.1%
	Top Ten Products or Services Total	*$1,810,726,912*	*65.8%*
	All Other	*$666,770,772*	*24.2%*
	Total	***$2,477,497,684***	***100.0%***

Source: USASpending.gov, Data extracts as of June 2021. Note: The data above do not include U.S. Army Corps of Engineers contracts.

Table 40 lists the top Louisiana-based defense contractors for FY20 based on contract value.

Table 40. Top Louisiana Defense Contractors, by Contract Value, FY2020

Rank	Industry	Obligated Dollar Amount	% of Total Value
1	Textron	$510,821,626	20.6%
2	Weeks Marine, Inc.	$304,764,077	12.3%
3	Bollinger Shipyards Lockport, LLC	$253,843,536	10.2%
4	Gulf Island Shipyards, LLC	$131,140,350	5.3%
5	Hornbeck Offshore Operators, LLC	$101,624,663	4.1%
6	James Construction Group, LLC	$68,400,084	2.8%
7	Placid Refining Company, LLC	$62,684,693	2.5%
8	Tiya Services, LLC	$54,216,925	2.2%
9	Swiftships, LLC	$50,823,089	2.1%
10	Gravois Aluminum Boats, LLC	$35,245,769	1.4%
	Top Ten Vendors Total	*$1,573,564,813*	*63.5%*
	All Other	*$903,932,871*	*36.5%*
	Total	***$2,477,497,684***	***100.0%***

Source: USASpending.gov, Data extracts as of June 2021. Note: The data above do not include U.S. Army Corps of Engineers contracts.

Military Contract Spending by Region

This section profiles defense and USCG contracts awarded to Louisiana recipients by region for FY20.

Acadiana Region

Table 41. Top Defense Industry Sectors (by $ amount), Acadiana Region, FY20

Rank	Industry	Obligated Dollar Amount	% of Total Value
1	Boat Building	$33,471,601	35.9%
2	Other Heavy and Civil Engineering Construction	$23,964,998	25.7%
3	Highway, Street, and Bridge Construction	$6,246,502	6.7%
4	Engineering Services	$5,151,702	5.5%
5	Commercial and Institutional Building Construction	$4,713,769	5.1%
6	Site Preparation Contractors	$3,338,924	3.6%
7	Plate Work Manufacturing	$3,172,793	3.4%
8	Environmental Consulting Services	$2,294,914	2.5%
9	Ship Building and Repairing	$2,202,746	2.4%
10	All Other Misc. General Purpose Machinery Manufacturing	$1,962,703	2.1%
	Top Ten Industries Total	*$86,484,652*	*92.8%*
	All Other	*$6,702,592*	*7.2%*
	Total	***$93,187,244***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Table 42. Top Defense Contractors by Contract Value, Acadiana Region, FY20

Rank	Vendor Name	Obligated Dollar Amount	% of Total Value
1	Gravois Aluminum Boats, LLC	$35,245,769	37.8%
2	Rigid Constructors, LLC	$19,288,166	20.7%
3	Acadiana Companies, LLC	$6,426,021	6.9%
4	Frazier Investments, Inc.	$4,750,228	5.1%
5	Jesco Environmental & Geotechnical Services, Inc.	$3,923,245	4.2%
6	Matt L. Guinn Construction, LLC	$3,356,235	3.6%
7	Mtc Construction LLC	$3,284,147	3.5%
8	Truston Technologies, Inc.	$3,224,195	3.5%
9	Wet Tech Energy, Inc.	$3,172,793	3.4%
10	Gravois Aluminum Boats	$2,091,704	2.2%
	Top Ten Vendors Total	*$84,762,502*	*91%*
	All Other	*$8,424,741*	*9%*
	Total	***$93,187,244***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Bayou Region

Table 43. Top Defense Industry Sectors (by $ amount), Bayou Region, FY20

Rank	industry	Obligated Dollar Amount	% of Total Value
1	Ship Building and Repairing	$458,163,948	75.8%
2	Deep Sea Freight Transportation	$41,993,227	6.9%
3	Other Heavy and Civil Engineering Construction	$39,086,311	6.5%
4	Navigational Services to Shipping	$20,866,422	3.5%
5	Remediation Services	$11,884,802	2.0%
6	Other Engine Equipment Manufacturing	$7,055,526	1.2%
7	Deep Sea Passenger Transportation	$3,807,600	0.6%
8	Landscaping Services	$2,923,973	0.5%
9	Plumbing, Heating and Air-Conditioning Contractors	$2,461,973	0.4%
10	Boat Building	$1,672,268	0.3%
	Top Ten Industries Total	*$589,915,343*	*97.6%*
	All Other	*$14,739,558*	*2.4%*
	Total	***$604,654,901***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Table 44. Top Defense Contractors by Contract Value, Bayou Region, FY20

Rank	Vendor Name	Obligated Dollar Amount	% of Total Value
1	Bollinger Shipyards Lockport, LLC	$258,843,536	42.0%
2	Gulf Island Shipyards, LLC	$131,140,350	21.7%
3	Swiftships, LLC	$50,823,089	8.4%
4	Crosby Dredging, LLC	$35,096,070	5.8%
5	Alpha Marine Services, LLC	$32,035,140	5.3%
6	Offshore Service Vessels, LLC	$18,972,155	3.1%
7	Thoma-Sea Marine Constructors, LLC	$17,513,513	2.9%
8	Environmental, Safety & Health Consulting Services, Inc.	$13,293,283	2.2%
9	Chand, LLC	$13,053,283	2.2%
10	Alpha Marine Services, Inc..	$11,852,353	2.0%
	Top Ten Vendors Total	*$577,622,977*	*95.5%*
	All Other	*$27,031,925*	*4.5%*
	Total	***$604,654,901***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Capital Region

Table 45. Top Defense Industry Sectors (by $ amount), Capital Region, FY20

Rank	industry	Obligated Dollar Amount	% of Total Value
1	Other Heavy & Civil Engineering Construction	$73,904,883	23.6%
2	Petroleum Refineries	$62,766,258	20.0%
3	Facilities Support Services	$59,242,821	18.9%
4	Remediation Services	$23,172,131	7.4%
5	Deep Sea Freight Transportation	$17,658,167	5.6%
6	Miscellaneous Intermediation	$16,911,665	5.4%
7	Highway, Street and Bridge Construction	$13,349,914	4.3%
8	Site Preparation Contractors	$13,033,525	4.2%
9	Research & Development, Physical, Engineering & Life Sciences	$10,827,470	3.5%
10	Commercial and Institutional Building Construction	$4,030,645	1.3%
	Top Ten Industries Total	*$294,897,481*	*94.0%*
	All Other	*$18,882,091*	*6.0%*
	Total	***$313,779,571***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Table 46. Top Defense Contractors by Contract value, Capital Region, FY20

Rank	Vendor Name	Obligated Dollar Amount	% of Total Value
1	James Construction Group, LLC	$68,400,084	21.8%
2	Placid Refining Company, LLC	$62,684,693	20.0%
3	Tiya Services, LLC	$54,216,925	17.3%
4	Cb&I Federal Services, LLC	$23,665,306	7.5%
5	US Ocean	$17,658,167	5.6%
6	Genesis 360 LLC	$12,495,668	4.0%
7	Ars Aleut Remediation LLC	$12,294,598	3.9%
8	Greenup Industries LLC	$9,075,000	2.9%
9	Gwm LLC	$6,796,200	2.2%
10	Stephenson Technologies Corporation	$4,811,327	1.5%
	Top Ten Vendors Total	*$272,070,968*	*86.7%*
	All Other	*$41,708,603*	*13.3%*
	Total	***$313,779,571***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Central Region

Table 47. Top Defense Industry Sectors (by $ amount), Central Region, FY20

Rank	industry	Obligated Dollar Amount	% of Total Value
1	Hotels (Except Casino Hotels) and Motels	$6,607,659	16.9%
2	Highway, Street, and Bridge Construction	$5,199,223	13.3%
3	Other Foundation, Structure & Building Exterior Contractors	$3,998,718	10.2%
4	Electrical Contractors and Other Wiring Installation Contractors	$3,378,765	8.6%
5	Petroleum Refineries	$3,188,608	8.1%
6	Other Heavy and Civil Engineering Construction	$2,699,666	6.9%
7	Plumbing, Heating and Air-Conditioning Contractors	$2,081,291	5.3%
8	Landscape Architectural Services	$1,401,434	3.6%
9	Mechanical Power Transmission Equipment Manufacturing	$1,010,751	2.6%
10	Facilities Support Services	$999,472	2.6%
	Top Ten Industries Total	*$30,565,586*	*78.1%*
	All Other	*$8,593,891*	*21.9%*
	Total	***$39,159,478***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Table 48. Top Defense Contractors by Contract Value, Central Region, FY20

Rank	Vendor Name	Obligated Dollar Amount	% of Total Value
1	Tarver Land Development LLC	$9,429,968	24.1%
2	Tarpan Construction, LLC	$7,424,054	19.0%
3	Roe Procurement Services LLC	$6,839,641	17.5%
4	Tanner Heavy Equipment.	$3,957,599	10.1%
5	Lakey, Inc. of Texas	$2,761,443	7.1%
6	Mtp Drivetrain Services LLC	$1,865,648	4.8%
7	Delta Fuel Company, LLC	$1,662,138	4.2%
8	Freeman Holdings of Louisiana, LLC	$1,421,561	3.6%
9	Rig Masters Inc.	$999,472	2.6%
10	Moffett Oil Company, Inc.	$688,929	1.8%
	Top Ten Vendors Total	*$37,050,454*	*94.6%*
	All Other	*$2,109,024*	*5.4%*
	Total	***$39,159,478***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Northeast Region

Table 49. Top Defense Industry Sectors (by $ amount), Northeast Region, FY20

Rank	Industry	Obligated Dollar Amount	% of Total Value
1	Perishable Prepared Food Manufacturing	$4,065,103	40.1%
2	Wired Telecommunications Carriers	$3,417,364	33.7%
3	Highway, Street, and Bridge Construction	$2,026,945	20.0%
4	Construction, Mining & Forestry Machinery Equipment Rental	$209,215	2.1%
5	Research & Dev. in the Physical, Engineering & Life Sciences	$160,840	1.6%
6	Food Service Contractors	$109,078	1.1%
7	Other Heavy and Civil Engineering Construction	$60,964	0.6%
8	Caterers	$33,750	0.3%
9	Telecommunications Resellers	$27,841	0.3%
10	Petroleum Refineries	$24,001	0.2%
	Top Ten Industries Total	*$10,135,103*	*99.9%*
	All Other	*$11,592*	*0.1%*
	Total	***$10,146,695***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Table 50. Top Defense Contractors by Contract value, Northeast Region, FY20

Rank	Vendor Name	Obligated Dollar Amount	% of Total Value
1	Robertson Fruit & Produce Inc.	$4,065,103	40.1%
2	United Telephone Company of the Northwest	$2,381,418	23.5%
3	Fussell Company Contractors	$2,026,945	20.0%
4	Centurytel Acquisition LLC.	$716,728	7.1%
5	Jps Equipment Rental LLC	$209,215	2.1%
6	United Telephone Company of Pennsylvania LLC	$158,309	1.6%
7	Embarq Florida, Inc.	$151,441	1.5%
8	Higginbotham Enterprises, Inc.	$127,078	1.3%
9	CenturyLink, Inc.	$110,840	1.1%
10	Louisiana Rents	$60,964	0.6%
	Top Ten Vendors Total	*$10,008,040*	*98.6%*
	All Other	*$138,655*	*1.4%*
	Total	***$10,146,695***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Northwest Region

Table 51. Top Defense Industry Sectors (by $ amount), Northwest Region, FY20

Rank	industry	Obligated Dollar Amount	% of Total Value
1	Highway, Street, and Bridge Construction	$7,766,099	27.9%
2	Research & Dev. in the Physical, Engineering & Life Sciences	$5,237,727	18.8%
3	Caterers	$2,852,824	10.2%
4	Janitorial Services	$1,910,562	6.9%
5	Ammunition (Except Small Arms) Manufacturing	$1,704,209	6.1%
6	Commercial and Institutional Building Construction	$1,363,131	4.9%
7	Engineering Services	$910,641	3.3%
8	Other Heavy and Civil Engineering Construction	$857,389	3.1%
9	Hotels (Except Casino Hotels) and Motels	$820,886	2.9%
10	All Other Misc. Fabricated Metal Product Manufacturing	$758,578	2.7%
	Top Ten Industries Total	*$24,182,045*	*86.7%*
	All Other	*$3,703,011*	*13.3%*
	Total	***$27,885,057***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Table 52. Top Defense Contractors by Contract value, Northwest Region, FY20

Rank	Vendor Name	Obligated Dollar Amount	% of Total Value
1	Praeses, LLC	$3,888,003	13.9%
2	Aquarius Contractors, Inc.	$3,573,110	12.8%
3	F.J. Burnell, Inc.	$3,568,141	12.8%
4	Mf Good Catering LLC	$2,739,703	9.8%
5	Omega Container, Inc.	$2,451,909	8.8%
6	2 R Construction, LLC	$2,176,154	7.8%
7	Arc of Caddo-Bossier	$1,975,682	7.1%
8	Sna Contracting, LLC	$1,087,750	3.9%
9	Kevin Bryan Architects	$856,034	3.1%
10	Traction Jedi Technologies LLC	$799,937	2.9%
	Top Ten Vendors Total	*$23,116,422*	*82.9%*
	All Other	*$4,768,634*	*17.1%*
	Total	***$27,885,057***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Southeast Region

Table 53. Top Defense Industry Sectors (by $ amount), Southeast Region, FY20

Rank	Industry	Obligated Dollar Amount	% of Total Value
1	Ship Building and Repairing	$510,868,350	37.9%
2	Other Heavy & Civil Engineering Construction	$405,103,447	30.0%
3	Engineering Services	$87,320,653	6.5%
4	Coastal and Great Lakes Freight Transportation	$86,743,343	6.4%
5	Commercial and Institutional Building Construction	$47,623,693	3.5%
6	Deep Sea Freight Transportation	$28,198,329	2.1%
7	Other Waste Collection	$23,552,365	1.7%
8	All Other Support Services	$21,964,181	1.6%
9	Computer Systems Design Services	$16,588,690	1.2%
10	Inland Water Freight Transportation	$10,641,399	0.8%
	Top Ten Industries Total	*$1,238,604,450*	*91.8%*
	All Other	*$110,387,716*	*8.29%*
	Total	***$1,348,992,166***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Table 54. Top Defense Contractors by Contract value, Southeast Region, FY20

Rank	Vendor Name	Obligated Dollar Amount	% of Total Value
1	Textron, Inc.	$510,821,626	37.9%
2	Weeks Marine	$304,764,077	22.6%
3	Hornbeck Offshore Operators	$101,624,663	7.5%
4	Jgils, LLC	$28,237,471	2.1%
5	Healtheon, Inc.	$26,632,629	2.0%
6	Pontchartrain Partners LLC	$26,204,923	1.9%
7	Eft Diversified, Inc.	$24,799,673	1.8%
8	Couvillion Group LLC	$23,498,053	1.7%
9	Geocent, LLC	$22,941,177	1.7%
10	Greenup Industries, LLC	$17,915,131	1.3%
	Top Ten Vendors Total	*$1,087,439,423*	*80.6%*
	All Other	*$261,552,743*	*19.4%*
	Total	***$1,348,992,166***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Southwest Region

Table 55. Top Defense Industry Sectors (by $ amount), Southwest Region, FY20

Rank	Industry	Obligated Dollar Amount	% of Total Value
1	Other Heavy & Civil Engineering Construction	$31,281,832	78.8%
2	Commercial and Institutional Building Construction	$4,644,767	11.7%
3	Petroleum Refineries	$2,850,240	7.2%
4	Asphalt Paving Mixture and Block Manufacturing	$337,000	0.8%
5	Plumbing, Heating & Air-Conditioning Contractors	$322,564	0.8%
6	All Other Automotive Repair & Maintenance	$77,000	0.2%
7	Landscaping Services	$64,845	0.2%
8	Industrial Truck, Tractor, Trailer & Stacker Machinery Mfg.	$47,066	0.1%
9	Caterers	$39,998	0.1%
10	All Other Misc. Fabricated Metal Product Manufacturing	$27,260	0.1%
	Top Ten Industries Total	*$39,692,572*	*100.0%*
	All Other	*$0*	*0%*
	Total	***$39,692,572***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Table 56. Top Defense Contractors by Contract value, Southwest Region, FY20

Rank	Vendor Name	Obligated Dollar Amount	% of Total Value
1	Mike Hooks, LLC	$31,283,400	78.8%
2	Gunter Construction, Inc.	$4,644,767	11.7%
3	Freeman Holdings of Louisiana, LLC	$2,796,091	7.0%
4	Gunco, LLC	$659,564	1.7%
5	Extreme Tire & Service, Inc.	$77,000	0.2%
6	Keiland Construction, LLC	$64,843	0.2%
7	Freeman Holdings of Louisiana, LLC	$54,583	0.1%
8	Southside of Deridder Inc.	$47,066	0.1%
9	Eat-A-Bite Call In & Drive Thru	$39,998	0.1%
10	Industrial Power & Rubber, Inc.	$27,260	0.1%
	Top Ten Vendors Total	*$39,692,572*	*100.0%*
	All Other	*$0*	*0%*
	Total	***$39,692,572***	***100.0%***

Source: USASpending.gov. Data extracts as of June 2021. Data do not include US Army Corps of Engineers contracts

Methodology

This paper describes the methodology used by Business Development Advisors to complete the Military Economic Impact Analysis for the State of Louisiana under the direction of Louisiana Economic Development (LED).

Economic Impact Analysis

Economic impact analysis attempts to estimate the total contribution of different types of economic activities to a regional and/or state economy. An infusion of spending in one sector of the economy spurs additional economic activity in other sectors as the money is re-spent, generating a "multiplier" effect. Multipliers quantify direct industry impacts but also recognize inter-industry linkages and the successive rounds of spending that occur within the regional economy. The total economic contribution of this added spending is estimated by tracing the flow of money between industries and households until all of the initial investment eventually leaves a region through foreign or domestic trade or is collected as a tax.

The IMPLAN (IMpact analysis for PLANning) modeling system is used in this analysis to estimate the economic contribution of key state-based military assets. IMPLAN, a widely used proprietary software, is specifically tailored to reflect the expenditure patterns and industry mix of Louisiana and to make estimates of the direct, indirect, and induced effects from various economic activities.

- *Direct effects* refer to the gross expenditures and employment of the studied industry.
- *Indirect effects* are the spending and employment of suppliers and contractors to produce inputs for the industry.
- *Induced effects* include household spending on goods and services by both industry employees and the employees of contractors and suppliers (both direct and indirect employees).

Total economic impact is the sum of direct, indirect, and induced effects.

Project Approach

The economic impact analysis we have prepared for LED is built on three major components:

- Expenditures at Louisiana military facilities
- Department of Defense and US Coast Guard contracts performed in Louisiana (excluding Army Corps of Engineers contracts)
- Pay to military retirees in the state

As input for the model, data was gathered on the operations expenditures, jobs and payroll, and construction spending by each installation and asset. This data was provided by the installations themselves or through publicly available data sources. Fort Polk and Barksdale personnel also

provided additional detailed data on several categories of spending – such as healthcare, education, utilities, and other types of operational spending – that enabled a more thorough modeling of economic impact than we have been able to conduct for similar projects in other states.

In the case of federal contracts, the model inputs were gathered from the USAspending.gov database recording the "place of performance" for Department of Defense and U.S. Coast Guard related work in Louisiana. The place of performance represents the geographic area where the majority of the work was done under the award or contract and is not necessarily the same as the address of the prime contractor or recipient.

Finally, we obtained data from the DoD Military Retired Pay File for 2019 on pay to military retirees in Louisiana.

Based on this data and the results from the model, four major types of economic impacts are reported in the study:

- *Output* represents the value of industry production. In this case, this is the value generated by state-based military assets.

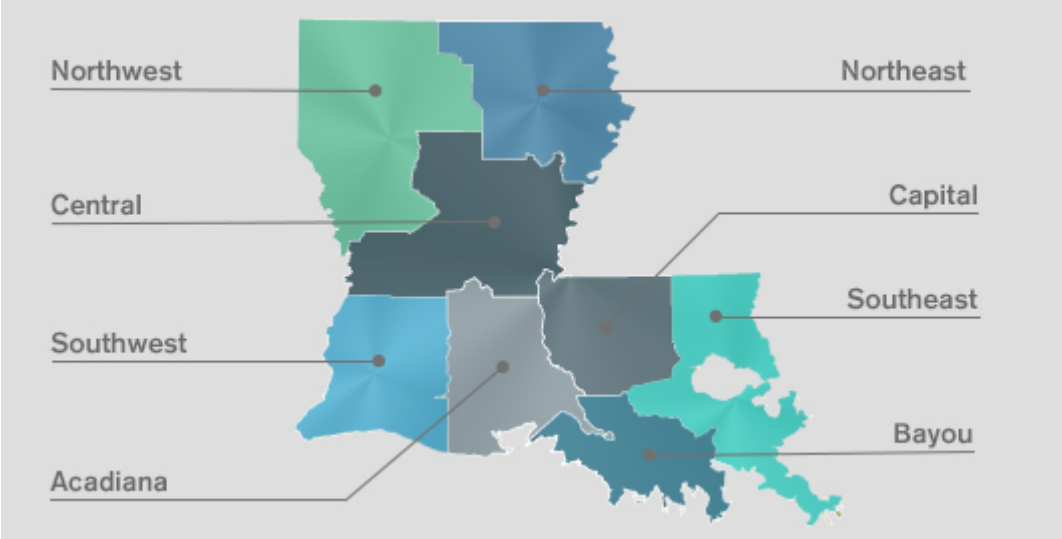
- *Employment* refers to all employees required to produce the outputs, including wage and salary employees; full-time and part-time employees; and the self-employed.

- *Labor Income* refers to all forms of employment income, including employee compensation (wages and benefits) and proprietor income.

- *Tax impacts* include the estimated state and local tax revenue generated from industry outputs for the following categories: dividends; employee and employer contributions to social insurance taxes; sales, property, motor vehicle, severance, and other taxes related to production and imports; corporate taxes; and taxes on households consisting of income taxes, fees, motor vehicles, property tax, and other associated personal taxes.

In addition to reporting statewide figures, estimates of the four major types of economic impacts were also generated for the eight Louisiana Economic Development (LED) regions. The map below shows LED's eight regions.

Figure 6. LED Regions



Source: www.louisianaeconomicdevelopment.com

For this task, model-building consisted of identifying the appropriate geography and selecting appropriate inputs and model assumptions based on rigorous economic standards. We constructed nine customized models for the eight LED regions plus the state of Louisiana to serve as the primary input-output analysis tools for the 2013, 2017, and 2021 studies.

To determine the regional break-outs when specific information was not available, two approaches were utilized. Either the estimation of regional benefit was based on the U.S. Census Bureau's Local Employment Dynamics program, which tracks place of work with place of residence for those working at military bases, or IMPLAN's Multi-Region Input-Output Analysis feature was used to distribute economic impacts.

While the data categories, data sources and regions are the same for the 2013, 2017, and 2021 reports, it is important to note that the economic output findings are not directly comparable across the two time periods because of updates made to the IMPLAN model in the intervening years.

Additionally, careful efforts were made so as not to duplicate (double-count) or otherwise overstate the economic impact results. For instance, steps were taken to remove from the contract analysis any contracts where the place of performance covered a military base zip code, excluding from the installation analysis units stationed at military bases but already covered in other portions of the analysis, and determining typical construction amounts rather than inputting large single year sums that may be atypical. Construction expenditures are highly variable from year to year and can substantially affect overall economic impact.

While this study seeks to capture the vast majority of expenditures originating from each of the state's military assets, not all expenditures may have been captured. For example, certain economic activities could not be measured given time and resources available for this study. Spending by visitors to the installations who come from out of the area, certain supplies that are not obtained through on-site contracting, and the spending associated with employees and retirees who live in nearby states may not be fully represented by the data used for this analysis.

This analysis is limited to the economic impacts to the Louisiana economy resulting from spending related to Louisiana firms and payroll spending by Louisiana residents.

Thus, the results reported in this study can be considered a conservative analysis of the overall economic contributions of each installation and asset to the state's economy and the eight LED regions.

Data Sources

Military Installations

BDA submitted data requests to each of the following Louisiana military installations and organizations.

- Barksdale Air Force Base
- Fort Polk
- Louisiana National Guard
- Naval Air Station Joint Reserve Base (NAS JRB), New Orleans
- US Coast Guard, 8th District
- Marine Forces Reserve Headquarters
- Naval Information Warfare Center (NIWC) New Orleans
- 377th Theater Sustainment Command

Each installation or command provided us with data on jobs, payroll, operations spending and construction spending for FY20.[2] We appreciate the data provided by each organization and wish to thank the many people who worked to provide these figures.

Military Contracts

The federal defense contracts data are extracted from USAspending.gov, a searchable website established by the Office of Management and Budget. The federal contracts data shown on USASpending.gov are provided directly by the each federal agency. USAspending.gov receives and displays data pertaining to obligations (amounts awarded for federally sponsored projects during a given budget period), not actual cash disbursements made against each project.

The defense contract data were analyzed from two aspects for this project. First, we examined all contracts awarded by the Department of Defense and the U.S. Coast Guard in FY 2020 to companies located in Louisiana. These figures are the basis of the section on Military Contracts. Summary data of the value of contracts, top industry sectors, and leading companies for the state and each region has been provided to LED. Second, we looked at all defense contracts performed in the State of Louisiana in FY 2020, regardless of the address of the prime contractor receiving the award. These figures were used to calculate economic impact by state and region. In all cases, contracts with the Army Corps of Engineers were removed from the data set to keep the project focused on military activity, rather than civil projects. The removal of the Army Corps of Engineers projects significantly reduced the total volume of DoD contract awards performed in Louisiana and therefore total economic impact.

[2] Estimates were developed for US Coast Guard 8th District activities based on publicly available documents and past economic impact analyses. Data from the USCG was received after the 2021 analysis had been completed. The USCG figures are consistent with the estimates used in the analysis, so the impact findings remain the same.

Other

Inputs on pay to military retirees living in Louisiana were obtained from the Department of Defense Military Retired Pay File, September 2019.

Veteran spending is not considered military spending and is therefore not included in the economic impact. Still, knowing of LED's interest, the project team provided summary data on the number of veterans and estimated federal veteran expenditures by region and for the state using data from the Geographic Distribution of VA Expenditures FY 2019, the National Center for Veterans Analysis and Statistics, Department of Veterans Affairs.